

1 House BILL NO. 117
 2 INTRODUCED BY Finchell - F.A.M.

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
 5 LIMITATIONS ON INTEREST RATES PAYABLE ON ISSUANCE OF BONDS
 6 BY MUNICIPALITIES; AMENDING SECTIONS 11-2304 AND 11-2404,
 7 R.C.M. 1947."
 8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 11-2304, R.C.M. 1947, is amended to
 11 read as follows:

12 "11-2304. Terms of bonds--~~rates-of-interest~~. No bonds
 13 for any purpose shall be issued for a longer term than
 14 twenty (20) years, and when bonds are issued for the purpose
 15 of refunding bonds theretofore issued and outstanding, such
 16 bonds shall not be issued for a longer term than ten (10)
 17 years, provided that if the unexpired term of the bonds to
 18 be refunded shall be more than ten (10) years, then in such
 19 event, the refunding bonds may be issued for such unexpired
 20 term. All bonds issued for a longer term than five (5) years
 21 shall be redeemable at the option of the city or town on any
 22 interest payment date after one-half (1/2) of the term for
 23 which they were issued has expired, and it shall be so
 24 recited in the bonds. ~~The maximum rate of interest which any~~
 25 ~~bonds may bear shall be seven per cent (7%) per annum and~~

1 ~~shall be payable semiannually."~~
 2 Section 2. Section 11-2404, R.C.M. 1947, is amended to
 3 read as follows:

4 "11-2404. Authorization of undertaking -- form and
 5 contents of bonds. The acquisition, purchase, construction,
 6 reconstruction, improvement, betterment or extension of any
 7 undertaking may be authorized under this chapter, and bonds
 8 may be authorized to be issued under this chapter by
 9 resolution or resolutions of the governing body of the
 10 municipality without an election or, should the governing
 11 body in its sole discretion choose to submit the question to
 12 the electorate, when authorized by a majority of the
 13 qualified electors voting upon such question at a special
 14 election noticed and conducted as provided in sections
 15 11-2308 to 11-2310, inclusive, and said special election
 16 shall be held not later than the next municipal election
 17 held after the council or governing body of the municipality
 18 has by resolution or resolutions approved the acquisition,
 19 purchase, construction, reconstruction, improvement,
 20 betterment or extension of any undertaking as in this
 21 chapter provided and ordered said special election.

22 Said bonds shall bear interest at such rate or rates
 23 ~~not exceeding nine per cent (9%) per annum~~ specified in the
 24 resolution of intention, payable semiannually, may be in one
 25 or more series, may bear such date or dates, may mature at

1 such time or times not exceeding forty (40) years from their
 2 respective dates, may be payable in such place or places,
 3 may carry such registration privileges, may be subject to
 4 such terms of redemption, may be executed in such manner,
 5 may contain such terms, covenants and conditions, and may be
 6 in such form, either coupon or registered, as such
 7 resolution or subsequent resolutions may provide. Said bonds
 8 shall be sold at not less than par. Said bonds may be sold
 9 at private sale to the United States of America or any
 10 agency, instrumentality or corporation thereof. Unless sold
 11 to the United States of America or agency, instrumentality
 12 or corporation thereof, said bonds shall be sold at public
 13 sale after notice of such sale published once at least five
 14 (5) days prior to such sale in a newspaper circulating in
 15 the municipality and in a financial newspaper published in
 16 the city of New York, New York, or the city of Chicago,
 17 Illinois, or the city of San Francisco, California, except
 18 that, in the event the bond issue is in an amount of less
 19 than one hundred fifty thousand dollars (\$150,000), the bond
 20 issue shall be advertised at least five (5) days prior to
 21 such sale in daily newspapers circulating in Montana cities
 22 of 10,000 population or over, in lieu of advertising in a
 23 financial newspaper in New York, Chicago, or San Francisco,
 24 and also in a newspaper as specified in section 16-1201 if
 25 that newspaper is different from the daily newspapers

1 circulating in Montana cities of 10,000 population or over.
 2 Pending the preparation of the definitive bonds, interim
 3 receipts or certificates in such form and with such
 4 provisions as the governing body may determine may be issued
 5 to the purchaser or purchasers of bonds sold pursuant to
 6 this chapter. Said bonds and interim receipts or
 7 certificates shall be fully negotiable, as provided by the
 8 Uniform Commercial Code--Investment Securities."

-End-

Approved by Comm.
on Local Government

1 House BILL NO. 117
2 INTRODUCED BY Kendall - Fink

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9 resolution or resolutions of the governing body of the
10 municipality without an election or, should the governing
11 body in its sole discretion choose to submit the question to
12 the electorate, when authorized by a majority of the
13 qualified electors voting upon such question at a special
14 election noticed and conducted as provided in sections
15 11-2308 to 11-2310, inclusive, and said special election
16 shall be held not later than the next municipal election
17 held after the council or governing body of the municipality
18 has by resolution or resolutions approved the acquisition,
19 purchase, construction, reconstruction, improvement,
20 betterment or extension of any undertaking as in this
21 chapter provided and ordered said special election.

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24 resolution of intention, payable semiannually, may be in one
25 or more series, may bear such date or dates, may mature at

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1 such time or times not exceeding forty (40) years from their
2 respective dates, may be payable in such place or places,
3 may carry such registration privileges, may be subject to
4 such terms of redemption, may be executed in such manner,
5 may contain such terms, covenants and conditions, and may be
6 in such form, either coupon or registered, as such
7 resolution or subsequent resolutions may provide. Said bonds
8 shall be sold at not less than par. Said bonds may be sold
9 at private sale to the United States of America or any
10 agency, instrumentality or corporation thereof. Unless sold
11 to the United States of America or agency, instrumentality
12 or corporation thereof, said bonds shall be sold at public
13 sale after notice of such sale published once at least five
14 (5) days prior to such sale in a newspaper circulating in
15 the municipality and in a financial newspaper published in
16 the city of New York, New York, or the city of Chicago,
17 Illinois, or the city of San Francisco, California, except
18 that, in the event the bond issue is in an amount of less
19 than one hundred fifty thousand dollars (\$150,000), the bond
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21 such sale in daily newspapers circulating in Montana cities
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23 financial newspaper in New York, Chicago, or San Francisco,
24 and also in a newspaper as specified in section 16-1201 if
25 that newspaper is different from the daily newspapers

1 circulating in Montana cities of 10,000 population or over.
2 Pending the preparation of the definitive bonds, interim
3 receipts or certificates in such form and with such
4 provisions as the governing body may determine may be issued
5 to the purchaser or purchasers of bonds sold pursuant to
6 this chapter. Said bonds and interim receipts or
7 certificates shall be fully negotiable, as provided by the
8 Uniform Commercial Code--Investment Securities."

-End-

1 House BILL NO. 117
2 INTRODUCED BY Turnbull - FMA

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9 resolution or resolutions of the governing body of the
10 municipality without an election or, should the governing
11 body in its sole discretion choose to submit the question to
12 the electorate, when authorized by a majority of the
13 qualified electors voting upon such question at a special
14 election noticed and conducted as provided in sections
15 11-2308 to 11-2310, inclusive, and said special election
16 shall be held not later than the next municipal election
17 held after the council or governing body of the municipality
18 has by resolution or resolutions approved the acquisition,
19 purchase, construction, reconstruction, improvement,
20 betterment or extension of any undertaking as in this
21 chapter provided and ordered said special election.

22 Said bonds shall bear interest at such rate or rates
23 ~~not exceeding nine per cent (9%) per annum~~ specified in the
24 resolution of intention, payable semiannually, may be in one
25 or more series, may bear such date or dates, may mature at

1 such time or times not exceeding forty (40) years from their
2 respective dates, may be payable in such place or places,
3 may carry such registration privileges, may be subject to
4 such terms of redemption, may be executed in such manner,
5 may contain such terms, covenants and conditions, and may be
6 in such form, either coupon or registered, as such
7 resolution or subsequent resolutions may provide. Said bonds
8 shall be sold at not less than par. Said bonds may be sold
9 at private sale to the United States of America or any
10 agency, instrumentality or corporation thereof. Unless sold
11 to the United States of America or agency, instrumentality
12 or corporation thereof, said bonds shall be sold at public
13 sale after notice of such sale published once at least five
14 (5) days prior to such sale in a newspaper circulating in
15 the municipality and in a financial newspaper published in
16 the city of New York, New York, or the city of Chicago,
17 Illinois, or the city of San Francisco, California, except
18 that, in the event the bond issue is in an amount of less
19 than one hundred fifty thousand dollars (\$150,000), the bond
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21 such sale in daily newspapers circulating in Montana cities
22 of 10,000 population or over, in lieu of advertising in a
23 financial newspaper in New York, Chicago, or San Francisco,
24 and also in a newspaper as specified in section 16-1201 if
25 that newspaper is different from the daily newspapers

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2 Pending the preparation of the definitive bonds, interim
3 receipts or certificates in such form and with such
4 provisions as the governing body may determine may be issued
5 to the purchaser or purchasers of bonds sold pursuant to
6 this chapter. Said bonds and interim receipts or
7 certificates shall be fully negotiable, as provided by the
8 Uniform Commercial Code--Investment Securities."

-End-

March 5, 1975

SENATE COMMITTEE ON EDUCATION
AMENDMENTS TO HOUSE BILL NO. 116

That House Bill No. 116, third reading, be amended as follows:

1. Amend title, line 7.
Following: "THE"
Strike: "UNANIMOUS"
Insert: "majority"
2. Amend page 1, section 1, line 24.
Following: "the"
Strike: "unanimous"
Insert: "majority"

March 7, 1975

SENATE COMMITTEE ON LOCAL GOVERNMENT
AMENDMENTS TO HOUSE BILL NO. 117

That House Bill No. 117, third reading, be amended as follows:

1. Amend title, line 4.
Following: "ACT"
Strike: "REMOVING"
Insert: "fixing"
2. Amend title, line 6.
Following: "11-2304"
Strike: "AND"
Insert: ", "
3. Amend title, line 6.
Following: "11-2404,"
Insert: "79-2602 and 79-2603,"
4. Amend page 1, Section 1, line 24.
Following: "."
Insert: "The maximum rate of interest which any bonds may bear shall be eight percent (8%) per annum and shall be payable semiannually."
5. Amend page 2, Section 2, line 22.
Following: line 22
Strike: "specified in the resolution of intention"
Insert: "not exceeding nine percent (9%) per annum"
6. Amend page 4, Section 2, line 8.
Following: line 8
Insert: "Section 3. Section 79-2602, R.C.M. 1947, is amended to read as follows:

"79-2602. Rate of interest on bonds to be determined by governing bodies--limitations and exceptions. Bonds of a political subdivision shall bear interest at such rate or rates as its governing body shall determine, except that no such rate shall exceed ~~seven-per-cent-(7%)~~ eight percent (8%) except revenue bonds issued under the terms of sections 11-2401 through 11-2414, sections 11-2217 through 11-2221, and sections 11-4101 through 11-4110, R.C.M. 1947, which rate shall not exceed nine percent (9%)."

Section 4. Section 79-2603, R.C.M. 1947, is amended to read as follows:

"79-2603. Rate of interest on special assessments to be determined by governing bodies--limitations. All special assessments levied by a political subdivision shall bear interest at such rate or rates as its governing body shall determine, except that no such rate shall exceed the greater of ~~seven-percent-(7%)~~ eight percent (8%) per annum or, in the event that the special assessments are appropriated for the payment of principal and interest on bonds issued by the political subdivision, the rate of interest on said bonds." "

AND AS SO AMENDED, BE NOT CONCURRED IN